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October 2, 2020

**Via Email**

T. Edward Williams, Esq.  
Williams LLP  
7 World Trade Center  
250 Greenwich Street, 46th Floor  
New York, N.Y. 10007

Re: 9384-2557 Quebec, Inc. et. al. v. Northway Mining LLC et. al.  
N.D.N.Y. 1:19-cv-00501

Dear Mr. Williams:

As you are aware, on July 24, 2020, your clients visited 2140 County Route 1, Oswego, New York with the U.S. Marshals to execute a writ of replevin concerning Serenity Alpha/MinedMap's S9J and S9 miners at that site. As you are also aware, your clients contend that none of the S9J and S9 miners at that site belong to them, and they elected not to have the Marshalls take possession of them (even though the defendants maintain that those are your clients' machines, and were ready, willing and able to turn them over to the Marshalls).

As your clients would have also observed during that visit, a number of those S9/S9J machines on site at 2140 County Route 1 Oswego were electrically damaged. On April 23, 2020, that Oswego site suffered an electrical surge which caused widespread damage at the facility, including electrical damage to a number of the S9/S9J miners there. Michael Maranda LLC submitted an insurance claim to its carrier, IFPS of NY LLC for the entire April 23 loss. This week we were informed that the carrier approved the claim, and has paid \$197,275.00 to indemnify for the damage to those damaged S9/S9J miners at the site.

At our direction, our client has wire transferred \$197,275.00 to our firm's trust account, and we will hold it in escrow pending resolution of this matter or further order of the Court. We are at an unusual impasse in this case, because that \$197,275.00 sum relates to machines that your clients deny are theirs but which the defendants vigorously contend are the plaintiffs' machines (that were held lawfully by Northway Mining and then Michael Maranda LLC, we contend, pursuant to the New York Lien Law). Unless and until the fact questions about those matters are adjudicated, we will hold the \$197,275.00 in escrow to preserve the status quo, although we are also amenable to paying those funds into court upon an appropriate motion if that is the plaintiffs' preference. In any event, we assume the plaintiffs would not tolerate Michael Maranda LLC itself retaining custody of the \$197,275.00 while these matters are pending, which is why we arranged for our firm to hold the funds in escrow in the interim.

*Benjamin F. Neidl, Esq.*

Please also note that our clients used the services of a public adjuster in processing this insurance claim, who charged a fee equal to 10% of the insurance payment, which our clients have paid. The \$197,275.00 reported above figure is gross, not net (that is, we had our client wire us the entire settlement concerning the S9/S9J machines without any deduction for the adjuster's fee), but the defendants do reserve the right to seek leave of court to deduct a portion from this sum as reimbursement for the public adjuster cost at such time as this resolved or adjudicated.

Please feel free to contact us if you have any questions.

Sincerely,

E. STEWART JONES HACKER MURPHY, LLP



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c.c. John Harwick, Esq.  
Michael Maranda